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ABSTRACT

This manual has been compiled for use in the preparation and administration by North Carolina school districts of the standard budget format and budget resolution. A budget is a financial operating plan consisting of estimates of the proposed expenditures for a given period of time and the anticipated revenues that will finance the expenditures. It is designed to be a planning tool to be used by management to direct the school programs toward their desired goals and objectives. A schedule lists the tasks to be performed and the date each is required to be completed. Following this are the allowable expenditures within the various funds of the budget and instructions for proper allocation. Additional sections cover submission of the budget proposal, adoption of budget resolution, and administration of budget resolution. Appendices provide instructions and a 10-page sample budget illustrates the standard budget format. (MLF)

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NORTH CAROLINA PUBLIC SCHOOLS

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UNIFORM BUDGET MANUAL

E4019 978

Prepared by

Controller's Office
State Board of Education
March 1, 1987

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I. INTRODUCTION

This manual has been compiled for use in the preparation and administration of the standard budget format and budget resolution. A budget is a financial operating plan consisting of estimates of the proposed expenditures for a given period of time and the anticipated revenues that will finance the expenditures. The budget is much more important than merely a device through which the Local Education Agency requests money from the county commissioners. It is designed to be a planning tool to be used by management to direct the school programs toward their desired goals and objectives.

The procedural steps in later sections are set out primarily with the intent of making sure that the budget request includes all known revenues and expenditures of the administrative unit, and that all of the data fit together in a reasonable manner. The superintendent cannot foresee, a year or more in advance, exactly what the actual operating conditions or expenditures will be; however, if the estimated data used in the budget is reasonable and consistent both within the document and with actual operation, it will present an accurate picture of what can be expected to occur in the coming budget year. Since the budget is an estimate, it is strongly recommended that your estimates be rounded off to whole dollars.

Administration of the budget is the joint responsibility of the superintendent and the school finance officer. The superintendent is primarily responsible for the managerial administration of the budget; that is, making certain that the approved plans are being carried out and that changes in circumstances or costs will not result in a later need for drastically altering the educational services or program being provided (G.S. 115C-427 & 428). The school finance officer is primarily responsible for the legal administration of the budget; that is, the "preaudit" of all purchase orders and other contracts, to insure the budget resolution includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay the sums obligated in the current fiscal year, and that proper accounting for expenditures is exercised. (G.S. 115C-436).

Use of Comparative Data Columns. Columns 1-3 and 10 have been included for comparison in considering the budget. These columns may be used in the formal presentation of the budget in explaining the needs and justifying the purposes of the educational program.

Col. 1 - This column should include the actual appropriation by the county for the current fiscal year. Care should be taken that any changes that occurred in the County Appropriation during the current fiscal year be included.

Col. 2 - This column should include the amount being requested as necessary to carry out the educational goals and objectives for the coming fiscal year. In the event that the county commissioners do not approve the first budget request and additional budgets have to be prepared, the date in the upper left-hand corner should be changed to agree with the presentation date to assist the county commissioners in their budget deliberations.

NOTE: During budget deliberations, this column is referred to as the "Requested County Appropriations". When the County Commissioners have made their final budget decisions, this column should reflect the "Approved County Appropriations"; and the necessary changes should be made to incorporate the approved budget figures.

Col. 3 - This column should be used to show the percent of increase or decrease of the Requested/Approved County Appropriation for the coming fiscal year over the current fiscal year.

Col. 10 - This column should show the approved budget for the current year including all budget amendments that have been made during the preceding fiscal year.

Use of Funds The School Budget and Fiscal Control Act requires four funds to be included in the Uniform Budget Format: 1) The State Public School Fund, 2) the Local Current Expense Fund, 3) the Capital Outlay Fund, and 4) the Child Nutrition Fund. Columns have been provided in the Uniform Budget Format for each of these funds. Extreme care should be exercised in preparing your budget to insure that appropriate revenues and expenditures are recorded in the correct column.

A column for the Federal Grant Fund has been provided and will be used by those units receiving (1) Federal grant allocations through the State Board of Education and (2) Restricted Federal Grants received directly by the Local Education Agency from the Federal Government.

In too many cases, it has been found that because revenues from a specific Federal Grant are deposited and paid from the Local Current Expense Fund bank account; that the revenues and expenditures are being shown in the Local Current Expense Fund of the budget. This is not correct and in no way should a bank account and a fund be confused. The source from which the revenue is received will dictate the fund from which the revenue and expenditures are to be reported. Example: Some units have a separate bank account for ECIA Chapter I and a bookkeeper that does only Chapter I work. All other Federal grants are handled through the local bank account, and the local bookkeeper does the work for these programs. This situation in no way defines the column in which the revenue and expenditures are to be reported. All restricted Federal grants should be reported in the Federal Grant Fund Column.

II. BUDGET CALENDAR

A budget calendar is included in the School Budget and Fiscal Control Act and prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date each is required to be completed.

May 1 - The superintendent must submit the budget request along with a copy of the budget message to the board of education not later than May 1.

May 15 - The board of education should make changes, if necessary, to the budget request as submitted by the superintendent and forward an approved budget request to the board of county commissioners not later than May 15, unless the county commissioners have established a later date.

July 1 - The board of county commissioners must complete its action on the school budget not later than July 1, unless a later date is agreed upon between the board of education and county commissioners.

July - The board of education must adopt its balanced budget resolution after the board of county commissioners has decided on the amount of appropriations to be provided by the county or after the appeal procedures as set forth in G.S. 115C-431.

NOTE: Until the budget ordinance or an interim budget ordinance (G.S. 115C-434) properly approved by the board of education, no expenditures may be made or purchase orders issued after June 30.

October 15 - The board of education will file a copy of the original budget is approved in the budget resolution and a copy of the budget resolution with the Controller of the State Board of Education (G.S. 115C-432d).

III. PREPARATION OF BUDGETARY REQUEST

The Controller's Office has provided each Local Education Agency planning allotments for the use in preparing your 1987-88 budget request.

As you are aware, the budget is only an estimate of your requirements to operate your school system. The county appropriation is generally the last revenue source to be estimated by the superintendent. The county appropriation therefore will equal the difference between all other estimated available revenues and the amount needed to finance the schools at the level felt necessary by the board of education. With this in mind, planning allotments for school year 1987-88 were provided in the following areas:

1. State Public School Fund
2. Federal Grants
   a. ECIA, Chapter 1 - Low Income
   b. ECIA, Chapter 1 - Handicapped
   c. ECIA, Chapter 2 - Consolidated Federal Programs
   d. EHA Title VI-B - Handicapped
   e. EHA Title VI-B - Incentive

THE STATE PUBLIC SCHOOL FUND

The following schedule is a list of allowable expenditures from the State Public School Fund. These appropriations and any additional appropriations will be considered during the General Assembly's current session. You are aware that expenditures in this fund may be made only to the extent an allocation for a specific function and object of expenditure has been previously approved by the State Board of Education.

-Salary - Superintendent
-Salary - Assistant and Associate Superintendents
-Salary - Supervisors
-Salary - Finance Officers
-Salary - Classified Principals
-Salary - Assistant Principals
-Salary - Classroom Teachers - Regular
-Salary - Math/Science Teachers (Innovative Programs and Extended Employment)
-Salary - Annual Leave
-Salary - Teachers Aides (K-3)
-Salary - Clerical Assistants
-Salary - Textbook Commission Clerical Assistants
-Salary - Longevity Pay
-Salary - Teacher Effectiveness
-Salary - Recruiting Officers
-Salary - Employee Benefits
-Liability Insurance
-Central Office Expense
-Instructional Supplies
-Computer Laboratories
-Finance Office Staff Development
-Math/Science Materials & Equipment
-Maintenance and Operation of Plant
-Transportation of Pupils
-Job Placement Specialist
-Duty Free Lunch
-Career Development (Pilot Project)
-Outside Evaluators
-Support Personnel - Certified and Non-Certified
-Self Contained Teachers and Aides
-State Vocational (Pilot Project)
-Preschool Screening
-Driver Training and Safety Education
-Sports Medicine
-Staff Development (K-12)
-Willie M.
-Group Home
-State Aid - Exceptional Children
-Child Nutrition/Supervisor
-Community Schools
-Remediation Support
-Health Education

-Alcohol and Drug Defense
-Development Day Care
-Dropout Prevention
-Education for Economic Security Act
-Summer School-86/87 and 87/88
-Summer School (Pilot Project)
-Leave Bonus-Sick and Personal (Pilot Project)

THE LOCAL CURRENT EXPENSE FUND

Appropriations in this fund are supported from revenues such as county appropriations, supplemental taxes levied for current expenses, fines and forfeitures, State aid money disbursed directly to the Local Education Agency, etc. This fund provides for expenditures in three basic areas:

1. Necessary expenditures for regular and special educational programs over and above that provided by the State Public School Fund and Federal Grants.
2. Expenditures for special revenues dedicated to the schools, i.e., fines and forfeitures and supplemental taxes.
3. Expenditures for State categorical grants for which revenues are advanced or reimbursed, totally or partially, to the Local Education Agency.

The following are the cost areas to be included in the Local Current Expense Fund:

A. Cost of additional personnel and increases in other expenses to provide a higher level of educational program than provided by the State Public School Fund and Federal Grants. These costs include, but are not limited to:

   (1) Additional Personnel - assistant superintendents, supervisors, teachers, teacher aides, clerical and maintenance personnel. (NOTE: In estimating salaries for locally paid employees, it is suggested that you use a reasonable estimate in anticipating salary increases by the General Assembly.)
   (2) Supplements to salaries of personnel.
   (3) Fringe Benefits on the additional salary payments.
   (4) Increased support for supplies and other operating expenses.
   (5) Transportation of both staff and pupils.

B. Cost of library books and textbooks. These two categories should be budgeted for and shown as State aid to operate the Local Education Agency.

   (1) The ordinary purchase or replacement of library books for an existing library should be budgeted in the Local Current Expense Fund. Original purchases of library books in connection with the construction of a new school or the addition to an existing school should be budgeted as a part of the construction project in the Capital Outlay Fund.

   (2) Textbook expenditures are to be budgeted in the Local Current Expense Fund also. This includes the State Textbook Allocation even though no Local Education Agency receives cash for the textbooks. The transaction will be handled by journal entries when the books are received as follows:

DR.	2-5100-01-421	Textbooks (Expenditures)	$XXX
CR.	2-3211-00-000	Textbooks (Revenues)	$XXX

C. To arrive at the estimated amount of local support, estimate the total cost to operate and maintain the physical plant and deduct the amounts received from Federal and State sources. The cost of operating and maintaining the physical plant would include personnel, supplies, contract services, etc.

D. Cost of special projects. All costs which the board of education directs to be segregated and costs of unusual programs operated should be budgeted pursuant to a special grant agreement with State, Federal and other governmental jurisdictions.

The five basic revenues available to the Local Current Expense Fund and an explanation of each source are:

(1) County Appropriation - The county appropriation is generally the last revenue source to be estimated by the superintendent. The county appropriation will equal the difference between all other estimated available revenues and the amount needed to finance the schools at the level felt necessary by the board of education. The board of county commissioners may increase or decrease the requested appropriation based upon the availability of resources to finance school operation.
NOTE: Because of the continued growing concern among county commissioners as to how county appropriations are being budgeted, it is recommended that you maintain detailed supporting documentation of the County Appropriation request. Your expertise in dealing with your individual board of County Commissioners will help you to anticipate their request for detailed supporting documentation records.

(2) Supplemental Tax - This revenue source results from the board of county commissioners levying a supplemental advalorem tax either county-wide or within a single administrative school district. The tax is considered revenue separate and apart from the county appropriations and will be distributed to the school unit by the county on a monthly basis.

(3) Revenues from State Sources - These revenues result from advancement or reimbursement of expenditures required by specific State categorical grant sources. In order to estimate the amount of revenues for reimbursable expenditures, the total project cost must be estimated first.

To arrive at the estimated amount to be received by the Local Education Agency for that project, multiply the reimbursable rate by the total project cost. These revenues are separate and apart from the county appropriations.

(4) Other Sources - The following are revenues that are not encompassed in the above mentioned areas:
A. Tuition and Fees
B. Fines and Forfeitures
C. Rental of school property

D. Contributions and Donations
E. Interest earned on investment
F. Indirect cost allocated
G. ABC Revenues

Care should be exercised in estimating these revenues due to fluctuations that affect most of the revenue sources. Historical trends, that have been adjusted for any current trends affecting the collections, should be used to estimate these revenues. These revenues are separate and apart from the county appropriation.

(5) Fund Balance Appropriated - The estimate of the amount of fund balance to be appropriated deserves careful thought. It is wise to maintain a reasonable amount of fund balance in order to avoid cash flow problems and to have a source of revenue available in case of an emergency. The amount of appropriated fund balance will be governed by the board of education and county commissioners.

FEDERAL GRANT FUND

All Federal grants, which are presently in operation, and those which are anticipated for the coming fiscal year must be included in the budget and budget resolution. The Controller's Office normally provides each local educational agency with tentative allotments for the next school year in March of each year. These tentative allotments include estimated new grant funds for the major, formula based, Federal Programs in addition to state appropriated funds. The tentative allotments do not included any discretionary Federal allocations made by the State Board of Education since the local educational agencies must make application for these funds. Due to the uncertainty of funds being available, local educational agencies should decide for themselves whether to include discretionary allocations in the budget and budget resolution. JTPA contracts have been classified as discretionary allocations.

Carry-over allocations are not included in the tentative allotments. Each unit should estimate expenditures through June 30 and determine an amount of Federal funds, for each program, anticipated to be unexpended at that time. The net project funds from the current year which are estimated to be available for the next school year should be included in projected budgets as carry-over funds (for those programs which permit the use of carry-over). Those programs which may utilize carry-over funds are:

ECIA CHAPTER 1, LOW INCOME	(PRC 50)
ECIA CHAPTER 1, HANDICAPPED	(PRC 52)
ECIA CHAPTER 2, FORMULA	(PRC 59)
EHA TITLE VI-B, HANDICAPPED	(PRC 60)
EHA TITLE VI-B, INCENTIVE	(PRC 62)
EHA TITLE VI-C, DEAF-BLIND	(PRC 61)
TRANSITION PROGRAM FOR REFUGEE CHILDREN	(PRC 33)

THE CHILD NUTRITION FUND

The Child Nutrition Fund accounts for the food service operation of the Local Education Agency. State and Federal Regulations governing the use of revenues available under this fund limit the expenditures of such revenues to the child nutrition operations directly related to the procurement, preparation and service of meals to students. It is important to include all cost pertaining to child nutrition within this fund: (1) in order to obtain a true cost of this service, and (2) in order to comply with U. S. Department of Agriculture regulations.

The Child Nutrition Fund is similar to the Local Current Expense Fund in that the county appropriation (if any) is generally the last revenue source to be considered to balance the Child Nutrition Fund budget. The following information should be used in estimating total revenues and total expenditures in the Child Nutrition Fund.

Child Nutrition Fund Expenditures

A. Cost of Salaries and Fringe Benefits

These costs should be projected on the most current month's payroll records by school. You should consider the total number of employees by classification times their appropriate rate of pay. Projections should be based on total maximum days of employment rather than maximum number of work days. Consideration should be given to employees who have met eligibility for receiving longevity.

B. Cost of Purchased Service

These cost items should be based on expenditures made for the current year and would include costs for utilities, garbage or travel. This applies to all expenses paid directly from the Child Nutrition Fund. Indirect costs are considered in Section F below.

C. Cost of Food and Supplies

In order to estimate the expenditures for the next fiscal year, take the costs for food and supplies for the current year and project this amount, giving consideration to program participation of the past and anticipated inflationary trends of the coming year. There are two components of this projection which are independent of each other: cost per meal and number of meals served. It is possible to have a lower total food cost estimate, resulting from an increase in the food cost per meal served multiplied by a reduction in the number of meals served (because of reduced enrollment).

D. Cost of Equipment

This cost item should be based on specific needs and would be supported by a list of all individual projects.

E. Indirect Costs

Indirect costs which can be charged to the Child Nutrition Program for purposes of federal reimbursement are true costs of the program and should be budgeted. The indirect cost mechanism is designed to allocate to the child nutrition fund its share of common use cost items such as cleaning and utilities which are not specifically identified to the Child Nutrition Program. The estimated amount of indirect costs chargeable to the program in the budget year should be included under 5-6560-00-600 Other Objects. The offsetting entry is fully discussed in the next section. (See Child Nutrition Financial Management System pp.7 and 8.)

Child Nutrition Fund Revenues

There are four basic types of revenues available to the Child Nutrition Fund:

1. Federal USDA Grants

This revenue source is earned from meals served to students (by type: breakfast, lunch and extra ½ pints of milk; and by need: paid, reduced, and (free) multiplied by the projected Federal reimbursement rates. (At the time of publication projected rates are not available for SY-87-88; therefore, we suggest you use the current rates or obtain the latest information from your Child Nutrition Department.)

Type	July 1, 1985 June 30, 1986	July 1, 1986 June 30, 1987
Paid Lunches	.1300/ .1500*	
Reduced Lunches	.9550/ .9750*	
Free Lunches	1.3550/1.3750*	
Paid Breakfasts	.1325	
Reduced Breakfasts	.4375/ .5800**	
Free Breakfasts	.7375/ .8800**	
Paid ½ pints of Extra Milk	.0925	
Free ½ pints of Extra Milk	Average Dealer Costs***	
USDA Commodity Foods	.1125	

*Higher Rates applied only to units having 60% or more needy lunch participation during the second preceding year.

**Higher Rates applied only to Severe Need Breakfast Program Schools.

***The Hyde County Board of Education is the only LEA approved for participation on the Special Milk Program.

2. Meal Payment Revenue

This revenue source results from the meal service by type for the paid and reduced-price student and adult meals times the sale price charged for the meal service. When estimated, use historical participation trends times the proposed sale price to be charged students and adults during the coming school year. (Revenue Code 4310)

3. Other Revenues

These revenue sources consist of all revenues other than Federal, Meal Payment and "Subsidy." Examples are:

A. income for the use of school lunchrooms (Revenue Code 4420)
B. contributions and donations (Revenue Code 4430)
C. interest income (Revenue Code 4450)
D. fund balance appropriated (Revenue Code 4910)

Estimate of the source and amounts of these revenues will be difficult for items A and B above and should be projected based on historical data of the present school year. Item C will be based on the unit's operational balance during the course of the school year and during the summer months. Care should be taken to maintain a minimum of one month's operational balance during the school year.

4. "Subsidy"

Subsidies can be provided to the Child Nutrition Fund in three ways. These are not exclusive so that it is possible for a unit to subsidize the food service operation in two or three of these ways.

A. Non-payment of accrued indirect costs. Since the indirect costs which are charged to the program for federal reimbursements are entered on the ledger as a cost, the credit side of this transaction is to Indirect Cost allocated (5-4880-00-000) which is an in-kind revenue account or to Cash (5-1010-00-000) if it is actually paid to the Local Current Expense Fund. If cash is transferred, the entry made is a debit to Cash (2-1010-00-000) to increase the cash amount and a credit to Indirect Costs Allocated (2-4880-00-000) a revenue account. In this way, the Local Current Expense Fund has received cash for the Child Nutrition Fund's share of the indirect operating costs. Failure to pay the cash from the Child Nutrition Fund to the Local Current Expense Fund may result in a very real subsidy. The extent of the subsidy is contingent upon two factors. One factor is the percentage of free and/or reduced-price students served and the other factor is the ability of the LEA to keep the per meal cost below the current federal rate of reimbursement. The potential to receive federal subsidy to offset indirect cost diminishes as the percentage of paid meals increases and/or the per meal cost increases above the current federal rate of reimbursement.

In projecting for the budget therefore, the amount included under expenditures for indirect costs must be divided exactly between the amount to be paid which is entered on the revenue sheet in the Local Current Expense Fund on line 4880 - Indirect Cost Allocated and the amount to be considered the subsidy which would be entered on the same line (4880 - Indirect Cost Allocated) but in the Child Nutrition Fund column.

NOTE: In the budget for the Local Current Fund, Indirect Cost Allocated (2-4880-00-000) would include not only amounts to be received from the Child Nutrition Fund but also indirect costs received from other federal grants.

B. The second method of subsidy is an outright transfer of cash from the Local Current Expense Fund to the Child Nutrition Fund. If this is the method used, enter the estimated subsidy in the Local Current Expense Fund in 2-8100-00-715 (Transfer to Child Nutrition Fund in revenue transfers from Local Current Expense Fund (5-4922-00-000)).

C. The third method of subsidy is a direct appropriation from the county. If this is the intention, it is only necessary to enter the estimated amount to be appropriated by the county in the revenues for the Child Nutrition Fund on the line for county appropriation (5-4110-00-000).

CAPITAL OUTLAY FUND

The Capital Outlay Fund is established to account for all appropriations for:

(a) The acquisition of real property for school purposes, including but not limited to school sites, playgrounds, athletic fields, administrative headquarters and garages;
(b) The acquisition, construction, reconstruction, enlargement, renovation or replacement of buildings and other structures, including but not limited to buildings for classrooms and laboratories, physical and vocational education purposes, libraries, auditoriums, gymnasiums, administrative offices, storage and vehicle maintenance;
(c) The acquisition or replacement of furniture and furnishings, instructional apparatus, data processing equipment, business machines and similar items of furnishings and equipment;
(d) The acquisition of school buses as additions to the fleet;
(e) The acquisition of activity buses and other motor vehicles;
(f) Such other objects of expenditures as may be assigned to the Capital Outlay Fund by the Uniform Budget Format.

Category I. Acquisition and construction of real property.

This category includes the purchase of land, the construction or renovation of buildings and other land improvements. Construction projects for new or enlarged buildings may include furniture, furnishings, equipment and library books necessary to operate the new facility.

It is recommended that no project be included in this category of the budget until it has been approved in principle by the board of education. The latest project estimates should be used and should include a distribution of costs into at least the following five categories:

1. Land
2. Buildings
   a. General contract
   b. Heating and Cooling contract
   c. Plumbing contract
   d. Electrical contract
3. Other improvements to land
4. Furniture and equipment
5. Other, including professional fees, library materials, etc.

Category II. Furniture and Equipment

This category includes all the purchases of furnishings and equipment whether additional or replacement. Any purchase of fixed assets that are not provided for in Categories I or III should be provided for in Category II.

Category III. Motor Vehicles

This category includes motor vehicles, self-propelled, intended for the transportation of goods and persons.

As a general guide, appropriations in the Capital Outlay Fund are funded by budgeted revenues made available for capital outlay purposes. Examples include the State Public School Facilities Bonds of 1973, County Appropriations for capital outlay purposes, fund balance appropriated and Federal Grants restricted for capital outlays. These sources are not an all inclusive list, but are examples of revenues available for capital outlay purposes.

You have been instructed to budget capital outlay expenditures for certain programs within the State Public School Fund and capital outlay expenditures in Federal ECIA programs in the Federal Grant Fund. The rationale for this purpose is that these programs are for current operating cost and not intended exclusively for capital outlay purposes. Even though capital outlay expenditures are permitted, the percentage for such is insignificant compared to the total cost of these programs.

(1) Supplemental Tax Revenues

G.S. 115C-426 (e) states that appropriations in the Local Current Expense Fund shall be funded by revenues accruing to the administrative unit from...supplemental taxes levied by or on behalf of the administrative unit pursuant to a local act or Article 14 of this Chapter,....

G.S. 115C-426 (f) further states that appropriations in the Capital Outlay Fund shall be funded by revenues made available for capital outlay purposes from...supplemental taxes levied by or on behalf of the administrative unit pursuant to a local act or Article 14 of this Chapter,....

(2) Restricted Federal Grants

The Federal Grant Fund was established to account for the expenditure of all Federal categorical grants appropriated for current operating costs. Many of these categorical grants permit capital outlay expenditures; therefore, capital expenditures should be included in the Federal Grant Fund budget along with the operating costs.

Other Federal grant revenues which are restricted exclusively for capital outlay purposes should be budgeted in the Capital Outlay Fund.

(3) Capital Outlay Expenditures for Child Nutrition

Fixed assets purchased with child nutrition revenues and/or fund balance should be budgeted and expended from the Child Nutrition Fund.

G.S. 115C-433 (d) permits transfers to or from the Capital Outlay Fund to or from any other fund with the approval of the board of county commissioners to meet emergencies unforeseen and unforeseeable at the time the budget resolution was adopted. Because the statutes permit such budget amendments only with the county commissioners approval and only to meet emergencies unforeseen and unforeseeable at the time the budget resolution was adopted, it is necessary to budget child nutrition capital outlay projects involving county appropriations in the Capital Outlay Fund. The

amount budgeted in the Capital Outlay Fund is only that portion of the project funded with county appropriations.

Estimating Revenues for the Capital Outlay Fund

In estimating revenues for the Capital Outlay Fund, care should be taken to include all sources. In meeting capital outlay needs, it is important to determine that all necessary resources are available before committing for capital outlay that will span more than one fiscal year. Revenues necessary for each project should be estimated and included with the estimated expenditures for the project as soon as the sources of those revenues are known. Revenues from the various possible county sources should be allotted by source after discussions with county officials.

Revenues available to fund the capital outlay expenditures may include the following:

1. Federal and State grants, insurance settlements and other revenues of the Local Education Agency dedicated to the Capital Outlay Fund.

2. If there is a supplemental tax levied for capital outlay purposes, it would be estimated in the same manner as for the Local Current Expense Fund.

3. Any expenditures not funded by other sources are funded by the county appropriation to the Capital Outlay Fund. If there is more than one Local Education Agency in the county, the appropriations of the county to the separate Capital Outlay Funds will NOT be allocated on a per capita basis.

BUDGETING FOR EMPLOYEE BENEFITS

Sub-function codes (5910, 6910, 7910) have been provided for the classification of employee benefits. The method of coding employee benefits remains unchanged from 1985-86. Employee benefits under the regular program, the categorical State aid programs, the Federal programs and school food service programs will use the sub-function codes (5910, 6910, 7910) that have been provided.

Included in Employee Benefits are: (1) employer's social security cost (2) employer's retirement cost (3) employer's hospitalization cost (4) payments to/for injured employees (5) reimbursements for injuries to school pupils and (6) unemployment insurance. The present rates for employer's retirement (11.20%) and social security (7.15% on the first $43,800 in calendar year 1987) should be used in estimating the allocation for these items. Local Education Agencies should use past experience in estimating allocations for reimbursements for injury to school pupils and payments to/for injured employees.

Unemployment cost will continue to be charged to the source that funded the eligible employee's position, i.e., state regular funded positions will be paid from state funds, and local funded positions will be paid from local funds. State funded positions paid from non-continuing sources of funds and federal funded positions handled through the state will be paid from the unemployment compensation reserve fund monitored by the Controller's Office if quarterly contributions have been paid into the fund. All other positions must be paid from local sources or directly from the grant sponsor.

Based on prior years experience the Employment Security Commission recommends that, since the LEAs are on the direct reimbursement basis for paying unemployment claims, reserves should be established for potential reimbursement payments. Effective January 1, 1986 the amount to be reserved is <u>two percent</u> (2%) of the first $9,600 of salaries paid on a calendar year basis. However if an adequate reserve has been established, you may wish to follow the state/federal percent listed below. Payments to any such reserve fund should be made on a quarterly basis. This rate should be used when preparing your budget for <u>local funded positions</u> for the coming fiscal year.

For the Federal funded and State funded positions paid from non-continuing sources which are paid from the unemployment compensation reserve fund the amount to be reserved is <u>two-tenths of one percent</u> (.2%) of the first $9,600 of salaries paid per employee on a calendar year basis. The contribution rate is lower for these positions due to adequate reserves in the unemployment compensation reserve fund at this time. This rate should be used when preparing your budget for positions which are a part of the unemployment reserve fund for the coming fiscal year.

SPECIAL TAX DISTRICTS

Certain Local Education Agencies have within their borders, but not coterminous with them, special taxing districts to provide tax revenues for current expenses in order to supplement operations for the schools within the special district. If these circumstances exist, it is necessary to budget separately for the expenditure of the supplemental tax. The actual accounting for the expenditure may be in either the Local Current Expense Fund, if appropriate accounting techniques are used to segregate the revenues and expenditures, or in a separate fund.

NOTE: If a separate fund is used, it will be necessary to submit a second copy of the budget format and identify the column as a Special Tax Fund.

Cost Areas to be Included for Special Tax Districts

Expenditures should be estimated similarly to the estimates made in the Local Current Expense Fund for the costs of additional personnel, etc. Basically, the estimated increases in personnel costs (including additional personnel, professional supplements and fringe benefits), supplies, operating and maintenance expenses and other appropriate costs should be considered. Only costs allowable under the proposition voted on by the people may be included in the expenditures.

Estimating Revenues for Special Tax Districts

The only revenues that are normally available to the special tax district to expend are:

1. Supplemental taxes, both current and prior year.
2. Any other tax or revenue accruing to the district, pursuant to the general statutes or a local act.
3. Interest earned on invested funds.

Special tax districts which provide for debt service on special district bonds are now the responsibility of the county or other tax levying authority. None of these funds should have passed through the hands of the school unit since June 30, 1976.

CONTINGENCY APPROPRIATION (G.S. 115C-432(3))

The statute provides for the use of contingency appropriations. As described in the statute, a contingency appropriation is solely a budgetary account.

1. Contingency appropriations in a fund may not exceed 5% of the total of all other appropriations in a fund.
2. Expenditures from a contingency appropriation shall be authorized by resolution by the board of education or, if so authorized by the board of education, by the superintendent.
3. All authorizations to expend a contingency appropriation are budget amendments that must be recorded in the minutes of the board of education. The actual expenditure would be recorded against the proper specific appropriation.
4. Budget amendments that result from contingency transactions need not conform with the provisions of G.S. 115C-429 (b) and G.S. 115C-433 (b) which deals with appropriations by county commissioners by purpose, function or project.

When expenditures of the contingency appropriation are authorized as provided by law, the school finance officer should treat the authorization as a budget amendment and transfer the current amount of funds from the contingency appropriation to the specific appropriation to which the expenditure should be logically charged. In this way, all expenditures are charged to their logical account code and the amount of the contingency appropriation remaining is also the total unexpended balance of the contingency appropriation.

OTHER INFORMATION

The instructions, concerning preparation of the budget request presented above, are considered basic requirements. To the extent that a local need or situation requires presentation of additional information, this information should accompany the basic budget when submitted to the board of education.

The additional information may be financial, statistical data, or narrative information. The form of additional information or data will be determined at the local level in conformance with the requirements of the board of education or board of county commissioners.

NOTE: In the preparation of your budget, and especially the budget presentation to Board of County Commissioners; one should keep in mind G.S. 115C-429 (c):

> The board of County Commissioners shall have full authority to call for, and the board of education shall have the duty to make available to the board of County Commissioners, upon request, all books, records, audit reports and other information bearing on the financial operation of the local school administrative unit.

IV. SUBMISSION OF THE BUDGET PROPOSAL

A. Board of Education

The proposed budget and budget message should be submitted to the board of education by the superintendent not later than May 1 of the current year (G.S. 115C-427(b)). The proposed budget, as submitted, should be balanced and include all sources of revenue to be expended by the administrative unit (including Federal, State, local or private sources). A budget is balanced when the sum of estimated net revenues and appropriated fund balance is equal to estimated expenditures in each fund.

NOTE: Care should be taken that all anticipated revenues and expenditures are budgeted. This will include carryovers from one fiscal year to another (i.e. Federal Grant projects, Capital Outlay projects that extend to more than one fiscal year. This is covered in G.S. 115C-425 (b):

> It is the intent of this Article that all moneys received and expended by a local administrative unit should be included in the school budget resolution. Therefore, notwithstanding any other provision of the law, after July 1, 1976, no local administrative unit may expend any moneys, regardless of their source (including moneys derived from federal, State, or private sources), except in accordance with a budget resolution adopted pursuant to this article.

A requirement in the preparation of the budget is to verify the legality of the budget proposal to be sent to the board of education. This includes the verification:

1. That all revenues of the school unit are included in the funds used in the budget format;
2. That the revenues and appropriated fund balance of each fund are exactly equal to the expenditures;
3. That all deficits and continuing contracts are funded;
4. That all contingency appropriations in a fund do not exceed 5% of the other expenditures in the fund; and
5. That the revenues and expenditures are for lawful purposes.

Although these requirements should never be overlooked during the budgetary process, it is recommended that the Local Education Agency review the budget proposal for these legal requirements soon after the budget is prepared and before the final draft of the budget message is completed.

The budget and budget message should, but need not, be presented at a formal meeting of the board. Preparation of the budget message is perhaps one of the most important tasks in the budget cycle. The message is an opportunity for the superintendent to express his ideas, in narrative form, concerning the overall objectives of the budget request and to review as he feels appropriate, the achievement of goals in the previous budget year. The budget message may take whatever format the superintendent chooses and may include narrative, statistical, or graphic information.

The following may be included in a budget message.

1. Educational goals embodied in the budget.
2. A comparison with educational goals and policies of previous years and an explanation of any significant changes.
3. Proposed changes in appropriation levels or fiscal policy.
4. A description of changes in operations which will increase or decrease.

On the same day that the superintendent submits the budget to the board of education, he should file a copy of it in his office where it remains available for public inspection until the budget resolution is adopted (G.S. 115C-428(a)). He may also publish a statement in a newspaper, qualified by G.S. 1-597, that the budget has been submitted to the board of education, and is available for public inspection in the office of the superintendent of schools. The board of education may, if it wishes, hold a public hearing before it acts on the proposed budget. It is recommended that the policy for, or against, a public hearing be established by mutual agreement between the board of education and county commissioners. If the board of education exercises their option to hold a public hearing, the published statement in the newspaper mentioned above must also give notice of the time and place of the budget hearing.

The budget, as submitted by the superintendent, should be reviewed by the board of education which may make whatever changes it wishes so long as the budget continues to comply with all specific requirements embodied in applicable laws or regulations. After making changes, the board of education should approve the proposed budget and submit it to the county commissioners. The approval would be on matters of board policy and general content of the budget. A word of caution--the approval of the budget, at this point in the cycle, is not legally binding. The budget resolution may not be adopted until after the board of county commissioners has acted upon their appropriations.

B. Board of County Commissioners

The submission of the complete standard format by the board of education to the board of county commissioners is both a request for the necessary county appropriation and a justification for the request. It should state as clearly as possible the need for the monies to be appropriated and the results which can be reasonably expected to be obtained from their expenditures. Ordinarily, one would expect that the more clearly the budget request and justification are, the more expeditiously the decision will be made. If the school unit wishes to have a school supplemental tax levied, the budget submissions should include the request to the county commissioners (or other tax levying authority) to levy the specific tax requested.

The board of county commissioners will appropriate county resources to the Local Current Expense Fund and Capital Outlay Fund of the Local Education Agency within the county. Also, the board of county commissioners may levy and appropriate the school supplemental tax if one is requested by the board of education and approved by the voters. The supplemental tax is a revenue of the school unit and will be distributed monthly by the county.

V. ADOPTION OF BUDGET RESOLUTION

After the amount of county appropriations has been decided, the board of education shall adopt a budget resolution as provided by G.S. 115C-432. If the county appropriation (or the school supplemental tax) which was approved is greater than or less than the amount in the proposed budget, the Local Education Agency must make the necessary adjustments to balance the budget. These changes should be made throughout the budget so that the budgetary line items can be incorporated into the accounting system.

The budget resolution shall conform to the Uniform Budget (purpose, function, and project - see Exhibit B-1) established by the State Board of Education. The budget resolution may be adopted on any level as long as it conforms to the county appropriation level or some lower level as required by the local board of education. Some boards of education may wish to appropriate to the sub-function level or to distribute functional or sub-functional appropriations by program. It is not recommended that the budget resolution be in any greater detail.

The Act states that "The budget resolution shall be entered in the minutes of the board of education, and, within five days after adoption, copies thereof shall be filed with the superintendent, the school finance officer and the county finance officer. The board of education shall file a copy of the budget as approved and a copy of the budget resolution with the Controller of the State Board of Education." (G.S. 115C-432(d)).

"The following directions and limitations shall bind the board of education in adopting the budget resolution:"

1. "If the county budget ordinance allocates appropriations to the administrative unit pursuant to G.S. 115C-429(b), the school budget resolution shall conform to that allocation. The budget resolution may be amended to change allocated appropriations only in accordance with G.S. 115C-433."

2. "The full amount of any lawful deficit from the prior fiscal year shall be appropriated."

3. "Contingency appropriations in a fund may not exceed five percent (5%) of the total of all other appropriations in that fund. The board of education may authorize the superintendent to authorize expenditures from the contingency appropriations subject to such limitations and procedures as it may prescribe. Any such expenditure shall be reported to the board of education at its next regular meeting and recorded in the minutes."

4. "Sufficient funds to meet the amounts to be paid during the fiscal year under continuing contracts previously entered into shall be appropriated."

5. "The sum of estimated net revenues and appropriated fund balances in each fund shall be equal to appropriations in that fund."

6. "No appropriation may be made that would require the levy of supplemental taxes pursuant to a local act or Article 14 of this Chapter in excess of the rate of tax approved by the voters, or the expenditure of revenues for purposes not permitted by law."

7. "In estimating revenues to be realized from the levy of school supplemental taxes pursuant to a local act or Article 14 of this Chapter, the estimated percentage of collection may not exceed the percentage of that tax actually realized in cash during the preceding fiscal year, or if the tax was not levied in the preceding fiscal year, the percentage of the federal county tax levy actually realized in cash during the preceding fiscal year."

8. "Amounts to be realized from collection of supplemental taxes levied in prior fiscal years shall be included in estimated revenues."

9. "No appropriation may be made to or from the Capital Outlay Fund to or from any other fund, except as permitted by G.S. 115C-433(d)."

In its budget resolution, the board of education may, if it wishes, authorize the superintendent to transfer monies from one appropriation to another within the same fund. If the board of education decides to permit the superintendent to amend the budget, it should specify in its budget resolution the limits it wishes to place on the authority being granted to the superintendent. In addition, the following legal requirements bind both the superintendent and the board of education on this matter.

1. The transfer may not be made between funds.

2. The transfers may not amend the budget so that it is in violation of the restrictions on amendments in G.S. 115C-433 and the county budget ordinance.

VI. ADMINISTRATION OF BUDGET RESOLUTION

This phase includes three separate areas: (1) preaudit of disbursements and obligations, (2) amendments to the budget resolution, and (3) reporting.

Preaudit of disbursements and obligations

Preaudit is defined to mean the verification by the school finance officer that the budget resolution includes an appropriation authorizing the obligation, and that a sufficient unexpended and unobligated balance remains in an appropriation to provide for the liquidation of a liability which is or will be chargeable to a specific appropriation within the current fiscal year.

For this reason and others, most governmental accounting systems include encumbrance accounting. Under the procedures of encumbrance accounting, all obligations in the form of purchase orders, contracts and the like are posted on a current basis directly to the expenditure account for the appropriation. In this way one account will show the appropriation, the amount actually expended against it, the amount of encumbrances against it, and the unencumbered balance. If these encumbrance procedures are used, preauditing is simply a matter of comparing the amount to be obligated or expended against the unencumbered balance. Expenditures or obligations in excess of the unencumbered balance must be rejected, at least until a budget amendment can provide for the additional necessary unencumbered balance. Expenditures or obligations less than the unencumbered balance may be authorized by the signing of the preaudit certificate.

Amendments to the Budget Resolution

During the course of a fiscal year, new programs may arise and conditions change. At times, estimates made in the budget may not be sufficient for actual operations. Cost overruns or the inclusion of a new program may require that monies be increased or transferred within a fund or between funds. However, it is not necessary to amend the budget immediately upon the occurance of changing budget requirements, except when it is evident that expenditures will exceed the budgeted amount.

The statute specifically provides for the procedures necessary to amend the budget resolution. A budget resolution can be amended, in any manner that the board of education desires, so long as the budget resolution:

1. Remains in balance.

2. Does not illegally shift funds allocated by the county commissioners pursuant to G.S. 115C-429(b),

3. Does not make appropriations that could not have been adopted at the time of the original budget resolution,

4. Does not require or imply a change in the levy of school supplemental taxes, and

5. Does not otherwise violate specific requirements relating to deficits, containing contracts, transfers between funds, contingency appropriations and the inclusion of all revenues not specifically excluded by statute.

The actual adoption of the budget resolution amendment by the board of education is made at an official meeting of the board and is then entered into the minutes. The level of detail to be used in the budget amendment is the same level as was used in the original budget resolution.

The determination of the need for the county commissioners to approve the school budget amendments must also be considered before the amendment is adopted. Except for amendments which affect the county appropriation or transfer to or from the Capital Outlay Fund, the county commissioners are not required to give formal approval of amendments to the budget resolution. If the county commissioners allocate their appropriations by purpose, function, or project, the school board, without the approval of the county commissioners, may not make any amendment which would require the use of money from the county appropriation in excess of the 10%-25% change permitted by the county budget ordinance. However, as an expression of good faith, the school board may elect to inform the county commissioners of all amendments to their budget resolution. This action should encourage more active cooperation between the boards of education and county commissioners during future budget deliberations.

The financial estimates which must be developed, both to justify and to prepare the budget amendment, are made similarly to the original budget estimates. After the new expenditure level is known, it is necessary to "balance" the budget amendment. This "balancing" can be accomplished by the addition of new sources of revenue, by increases or decreases in existing sources of revenue, or decreases in other expenditure categories.

A sample budget amendment form is included (See Exhibit E) which provides the necessary information needed to make a budget amendment. If additional space is required, a separate schedule may be added and attached to this form. When completed, a copy of this document should be filed with the Controller's Office, State Board of Education.

VII. Appendix

Instructions for Use of Budget Format

Listed below are the levels intended for use in calculating data on the Uniform Budget Format. It is assumed at this point in time, the person responsible for preparing the budget request has received budget information (current operating expenditures, capital outlay expenditures, and revenues) from those preparing the data for their area of responsibility.

An understanding of the different levels of the budget format is helpful in knowing which level should be prepared before other levels in the budget format. The different levels are:

A. Summary of Revenues and Expenditures
B. Revenues by Source
C. Capital Outlay Projects

I. Standard Budget Format (pages 1-10)

These pages constitute the Uniform Budget as approved by the North Carolina State Board of Education. By law, the pages of the standard budget format that you have received must be prepared for presentation to your local board of education, your local board of county commissioners, and as approved to the State Board of Education.

NOTE: A computer printout in the exact same format of the standard budget format approved by the State Board of Education and supplied by the Controller's Office is an acceptable substitute.

A. Summary of Revenues and Expenditures with Comparative Data (pages 1-3)

This level of the budget summarizes in three pages the total estimated budget by funds of the Local Education Agency. Because the summary level contains all the information in the budget, it is anticipated that this section of the uniform budget will be most helpful to the superintendent in his presentation to the board of education and county commissioners and other interested groups. (Sample, Exhibit F, p. 39-41)

B. Revenues by Source (pages 4-7)

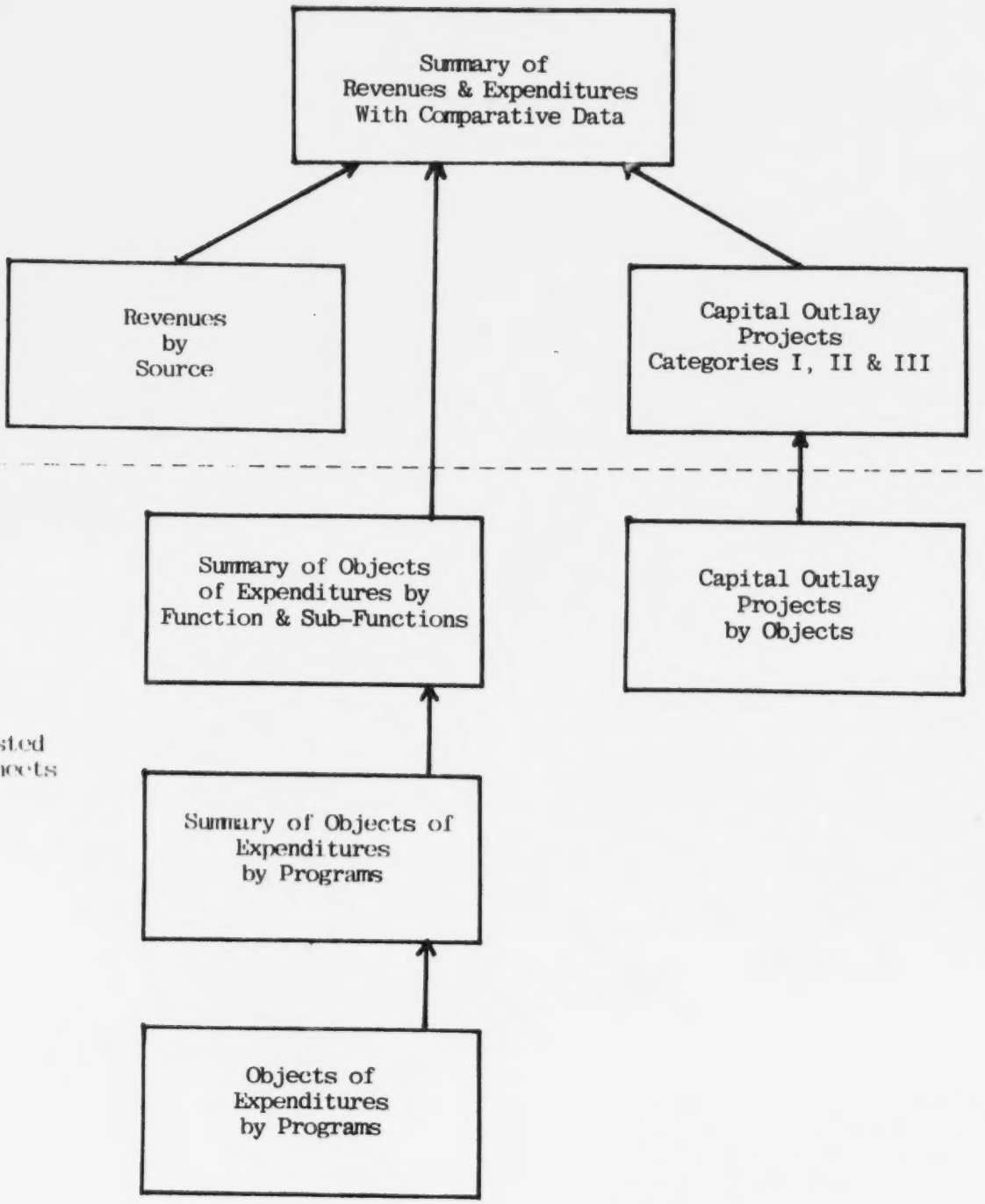
This level of the budget summarizes a detailed listing of all sources of revenues anticipated in support of the planned expenditures. This source of information will be most helpful for future explanations in justifying budget amendments that may become necessary. The section will also be helpful in explaining the needs in other revenue sources as new revenues become available and other sources of revenue are discontinued. Comparisons of items in this section with items in previous years' budgets may prove invaluable for presentation purposes. (Sample, Exhibit F, p. 42-45)

C. Capital Outlay (pages 8-10)

This level provides summary totals of the individual projects by category for capital outlay. (Sample, Exhibit F, p. 46-48)

NOTE: See flow chart on next page for the anticipated flow of work in preparation of the budget.

I. Standard Budget Format



II. Suggested Worksheets

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Exhibit "B-1"

State Board of Education Rules

Definitions for Purpose, Function and Project

A. Purpose

Purpose means the actions a person takes or the reason for which a thing exists or is used. Purpose includes the activities or actions which are performed to accomplish the objectives of a local administrative unit. For budgeting and accounting purposes, current operating expenditures of a local administrative unit are classified into five broad areas or purposes with their associated budget codes as follows:

(1) Instructional Programs: 5000
(2) Supporting Services Programs: 6000
(3) Community Services Programs 7000
(4) Non-Programmed Charges: 8000
(5) Capital Outlay: 9000

B. Function

Function means the activities of a local administrative unit which have the same general operational objectives and are subdivided under the major purposes. For budgeting and accounting purposes, current operating expenditures of a local administrative unit are subdivided under major purposes with their associated budget codes as follows:

(1) Instructional Programs: 5000
    (A) Regular Instructional Programs: 5100
    (B) Special Instructional Programs: 5200
    (C) Adult Education Instructional Programs: 5300
    (D) Co-Curricular Instructional Programs: 5400
    (E) Math/Science Programs: 5600
    (F) Other Instructional Programs: 5900
(2) Supporting Services Program: 6000
    (A) Pupil Support Services: 6100
    (B) Instructional Staff Support Services: 6200
    (C) Administrative Support Services: 6300
    (D) School Administration Support Services: 6400
    (E) Business Support Services: 6500
    (F) Central Support Services: 6600
    (G) Other Supporting Services: 6900
(3) Community Services Programs: 7000
    (A) Regular Community Services: 7100
    (B) Other Community Services: 7900
(4) Non-Programmed Charges: 8000
    (A) Payments to Other Governmental Units and Transfers of Funds: 8100
    (B) Reserve for Federal Grants: 8200
    (C) Other Non-Programmed Charges: 8900
(5) Capital Outlay: 9000
    (A) Category I Projects: 9100
    (B) Category II Projects: 9200
    (C) Category III Projects: 9300
    (D) Other Capital Outlay: 9900

C. Project

Project means a particular item purchased or built with the expenditure of Capital Outlay funds or such items as Real Property Acquisition, New Construction, Renovation, Site Development, Equipment, and Vehicles. Projects in Category I shall be identified individually. Projects within Categories II and III may be identified individually or grouped together within each category. The categories are as follows:

(1) Category I: Acquisition of real property and acquisition, construction, reconstruction, enlargement, renovation or replacement of buildings and other structures for school purposes.
(2) Category II: Acquisition or replacement of furnishings and equipment.
(3) Category III: Acquisition of school buses, activity buses, and other motor vehicles.

Exhibit "B-2"

State Board of Education Rules

Apportionment of County Appropriation Among Administrative Units

Per capita distribution of local funds will be based on projected average daily membership computed using the best consecutive three of the first four months for the two previous years.

Students who are in membership in hospitals/institutions and who are being taught by the special allotted teachers and students living outside the county are not to be counted in the apportionment.

At the end of the fourth school month, the superintendent of each administrative unit, which shares in per capita distribution of local funds, shall report to the State Board of Education the number of students in membership at the end of the fourth month who reside outside the county.

The projected average daily membership of a city unit located in two or more counties will be apportioned on the percentage of students from each county in membership at the end of the fourth school month.

To comply with the School Budget and Fiscal Control Act, the projected average daily membership for the budget year for your local administrative unit will be determined and certified to the unit and the board of county commissioners by the Controller's Office of the State Board of Education.

Exhibit "C"

Local Government Commission Rules

School Budgeting and Accounting

(I) Encumbrance Accounting

(a) All school administrative units shall use the encumbrance method of accounting in any fiscal year in which its membership is 6,000 or more.

(b) For the purpose of this rule "membership" will be defined as provided in G.S. 115C-530.

Exhibit "D"

Sample Budget Resolution

BE IT RESOLVED by the board of education of the _____ School Administrative Unit:

Section 1 - The following amounts are hereby appropriated for the operation of the school administrative unit in the Local Current Expense Fund for the fiscal year beginning July 1, 1987 and ending June 30, 1988

Instructional Programs	
Regular Instructional Programs	$ 3,020,417
Special Instructional Programs	130,907
Vocational Education Programs	636,352
Other Instructional Programs	
Supporting Services	
Pupil Supporting Services	19,731
Instructional Staff Supporting Services	232,048
General Administration Supporting Services	396,238
School Administration Supporting Services	139,390
Business Supporting Services	1,586,347
Central Supporting Services	27,918
Other Supporting Services	269,964
Total Local Current Expense Fund Appropriation	$ 6,459,312

Section 2 - The following revenues are estimated to be available to the Local Current Expense Fund for the fiscal year beginning July 1, 1987 and ending June 30, 1988:

State Funds	$ 244,729
Local Funds	5,983,211
Fund Balance Appropriated	231,372
Total Local Current Expense Fund Revenue	$ 6,459,312

Section 3 - The following amounts are hereby appropriated for the operation of the school administrative unit in the State Public School Fund for the fiscal year beginning July 1, 1987 and ending June 30, 1988:

Instructional Programs	
Regular Instructional Programs	$12,250,553
Special Instructional Programs	1,086,481
Math/Science Program	110,086
Other Instructional Programs	3,294,489
Supporting Services	
Pupil Supporting Services	705,096
Instructional Staff Supporting Services	466,715
General Administrative Supporting Services	173,389
School Administration Supporting Services	1,526,390
Business Supporting Services	2,109,532
Central Supporting Services	1,050
Other Supporting Services	977,712
Total State Public School Fund Appropriation	$22,701,493

Section 4 - The following revenues are estimated to be available to the State Public School Fund for the fiscal year beginning July 1, 1987 and ending June 30, 1988:

State Funds	$22,701,493

Section 5 - The following amounts are hereby appropriated for the operation of the school administrative unit in the Federal Grants Fund for the fiscal year beginning July 1, 1987 and ending June 30, 1988:

Instructional Programs	
Special Instructional Programs	$ 470,765
Other Instructional Programs	100,909
Supporting Services	
Pupil Supporting Services	150,917
Instructional Staff Supporting Services	113,855
General Administration Supporting Services	50,054
School Administration Support Services	4,300
Business Supporting Services	7,545
Central Supporting Services	7,100
Other Supporting Services	58,773
Non-programmed Charges	
Payment to Other Governmental Unit and Transfers	11,456
Reserve for Federal Grants	106,958
Total Federal Grants Fund Appropriation	$ 1,082,632

Section 6 - The following revenues are estimated to be available to the Federal Grants Fund for the fiscal year beginning July 1, 1987 and endeing June 30, 1988:

Federal Funds	$ 1,082,632

Section 7 - The following amounts are hereby appropriated for the operation of the school administrative unit in the Child Nutrition Fund for the fiscal year beginning July 1, 1987 and ending June 30, 1988:

Supporting Services	
Business Support Services	$ 2,971,203
Other Support Services	248,214
Total Child Nutrition Fund Appropriation	$ 3,219,417

Section 8 - The following revenues are estimated to be available to the Child Nutrition Fund for the fiscal year beginning July 1, 1987 and ending June 30, 1988:

Local Funds	$ 269,863
Federal Funds	1,081,250
Total Child Nutrition Fund Revenue	$ 3,219,417

Section 9 - The following amounts are hereby appropriated for the operation of the school administrative unit in the Capital Outlay Fund for the fiscal year beginning July 1, 1987 and ending June 30, 1988:

Capital Outlay

Category I (Land, buildings, etc.)

Project No.	Description	
9101	Asbestos Removal	$ 80,000
9102	Lunchroom-Sch. A	30,000
9103	Gynasium-Sch. B	40,000
9104	Roofing	275,000
9105	Energy Conservation	75,000
9106	Science Lab-Sch. C	25,000
9107	Auditorium-Sch. D	30,000
9108	Electrical Repair	160,000
9109	Library-Sch. E	30,100
Total Category I Projects		$ 745,100

Category II (Furniture and Equipment)

Project No.	Description	
9201	Central Office	$ 50,000
9202	Bus Garage	51,560
9203	Two-way Radio	1,640
9204	Computer Equipment	183,023
9205	Fire Alarm System	24,000
Total Category II Projects		$ 310,223

Category III (Motor Vehicles)

Project No.	Description	
9301	2 Activity Buses	$ 58,300
9302	Truck (Panel)	10,600
9303	Truck (Pick-Up)	17,200
Total Category III Projects		$ 86,100

Section 10 - The following revenues are estimated to be available to the Capital Outlay Fund for the fiscal year beginning July 1, 1987 and ending June 30, 1988:

Local Funds	$1,141,423

Section 11 - All appropriations shall be paid first from revenue restricted as to use, and second from general unrestricted revenues.

Section 12 - The superintendent is hereby authorized to transfer appropriations within a fund under the following conditions:

a. He may transfer amounts between sub-functions and objects of expenditure within a function without limitations and without a report to the board of education being required.

b. He may transfer amounts not to exceed $1,000 between functions of the same fund with a report on such transfers being required at the next meeting of the board of education.

c. He may not transfer any amounts between funds nor from any contingency appropriation within a fund.

Section 13 - Copies of the Budget Resolution shall be immediately furnished to the superintendent and school finance officer for direction in carrying out their duties.

Adopted this_____day of_____, 19_____.

Exhibit "F"

SAMPLE BUDGET

(Standard Budget Format)

Exhibit "E"

Budget Amendment

_____Administrative Unit

_____Fund

The _____County/City Board of Education at a meeting on the _____ day of _____, 19 _____, passed the following resolution.

Be it resolved that the following amendments be made to the Budget Resolution for the fiscal year ending June 30, 19 _____.

Code Number	Description of Code	Amount	
		Increase	Decrease

Explanation:

Total Appropriation in Current Budget	$_____
Amount of Increase/(Decrease) of above Amendment	_____
Total Appropriation in Current Amended Budget . . .	_____

Passed by majority vote of the Board of Education of _____ County/City on the _____day of _____ 19_____.

_____
Chairman, Board of Education

_____
Secretary, Board of Education

We the Board of County Commissioners of _____ hereby approve the changes in the County/City School Funds Budget as indicated above, and have made entry of these changes on the minutes of said Board, this _____day of _____, 19____.

_____
Chairman, Board of County Commissioners

_____
Secretary, Board of County Commissioners

Unit No. 000

THE UNIFORM BUDGET - FISCAL YEAR 1986-87

Summary of Revenues and Expenditures

Date 6-30-86

(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)
COUNTY APPROPRIATIONS				LOCAL CURRENT EXPENSE FUND	STATE PUBLIC SCHOOL FUND	FEDERAL GRANT FUND	CHILD NUTRITION FUND	CAPITAL OUTLAY FUND	TOTAL BUDGET	
ACTUAL 1985-86	REQTD./APPVD. 1986-87	% I/D							1986-87	1985-86
			REVENUES							
			State Sources	244,729	22,701,493				22,946,222	21,933,630
			Federal Sources			1,082,632	1,081,250		2,163,882	1,071,625
6,308,719	6,935,353	17.4	Local Sources	5,983,211			2,138,167	1,141,423	9,262,801	8,521,319
6,308,719	6,935,353	17.4	Total Operating Revenues	6,227,940	22,701,493	1,082,632	3,219,417	1,141,423	34,372,905	31,526,574
			Fund Balance Appropriated	231,372					231,372	154,307
6,308,719	6,935,353	17.4	TOTAL REVENUES	6,459,312	22,701,493	1,082,632	3,219,417	1,141,423	34,604,277	31,680,881
			EXPENDITURES							
			5000 INSTRUCTIONAL PROGRAMS							
2,532,021	2,785,223	10.0	5100 Regular Instructional Progs.	3,020,417	12,250,553				15,270,970	14,143,258
	299,406	100.0	5200 Special Instructional Progs.	130,907	1,086,481	470,765			1,688,153	1,508,017
			5300 Adult Education Instr. Progs.							
			5400 Co-Curricular Instr. Progs.							104,844
272,187		100.0	5600 Math/Science Programs		110,086				110,086	
540,968	595,065		5900 Other Instructional Progs.	636,352	3,294,489	100,909			4,031,750	3,565,627
3,345,176	3,679,694	10.0	SUB-TOTAL INSTRUCTIONAL PROGS. (5000)	3,787,676	16,741,609	571,674			21,100,959	19,321,746

THE UNIFORM BUDGET - FISCAL YEAR 1986-87

Unit No. 000

Summary of Revenues and Expenditures

(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)
COUNTY APPROPRIATIONS				LOCAL CURRENT EXPENSE FUND	STATE PUBLIC SCHOOL FUND	FEDERAL GRANT FUND	CHILD NUTRITION FUND	CAPITAL OUTLAY FUND	TOTAL BUDGET	
ACTUAL 1985-86	REQTD. APPRO. 1986-87	% I/D							1986-87	1985-86
			6000 SUPPORTING SERVICES							
11,031	12,134	10.0	6100 Pupil Support Services	19,731	705,096	150,917			875,744	937,076
178,356	196,192	9.7	6200 Instructional Staff Suppt. Serv.	232,048	466,715	113,855			812,618	640,576
390		(100.0)	6300 Administrative Support Serv.	396,238	173,389	50,054			619,681	604,243
159,780	175,758	10.0	6400 School Administrative Suppt. Ser.	139,390	1,526,390	4,300			1,670,080	1,445,985
1,476,313	1,478,946	.18	6500 Business Support Services	1,586,347	2,109,532	7,545	2,971,203		6,674,627	6,007,646
			6600 Central Support Services	27,918	1,050	7,100			36,068	3,000
228,239	251,206	10.1	6900 Other Supporting Services	269,964	977,712	58,773	248,214		1,554,663	1,596,199
2,054,109	2,114,236	2.93	SUB-TOTAL SUPPORTING SERVICES (6000)	2,671,636	5,959,884	392,544	3,219,417		12,243,481	11,230,725
			7000 COMMUNITY SERVICES							
			7100 Regular Community Services							
			7900 Other Community Services							
			SUB-TOTAL COMMUNITY SERVICES (7000)							
			8000 NON-PROGRAMMED CHARGES							
			8100 Pay to Oth. Govt. Units & Trnf.			11,456			11,456	15,898
			8200 Reserve for Federal Grants			106,958			106,958	
			8300 Other Non-Programmed Charges							203,208
			SUB-TOTAL NON-PROGRAMMED CHGS. (8000)			118,414			118,414	219,106
5,399,415	5,793,930	7.3	TOTAL OPERATING EXPENDITURES	6,459,312	22,701,493	1,082,632	3,219,417		31,462,854	30,771,577

THE UNIFORM BUDGET - FISCAL YEAR 1986-87

Unit No. 000

Summary of Revenues and Expenditures

(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)
COUNTY APPROPRIATIONS				LOCAL CURRENT EXPENSE FUND	STATE PUBLIC SCHOOL FUND	FEDERAL GRANT FUND	CHILD NUTRITION FUND	CAPITAL OUTLAY FUND	TOTAL BUDGET	
ACTUAL 1985-86	REQTD./APPVD. 1986-87	% I/D							1986-87	1985-86
			CAPITAL OUTLAY EXPENDITURES							
			9000 CAPITAL OUTLAY							
802,204	745,100	(7.7)	9100 Category I Projects					745,100	745,100	802,204
47,600	310,223	551.7	9200 Category II Projects					310,223	310,223	47,600
59,500	86,100	44.7	9300 Category III Projects					86,100	86,100	59,500
			9900 Other Capital Outlay							
909,304	1,141,423	25.5	TOTAL CAPITAL OUTLAY (9000)					1,141,423	1,141,423	909,304
6,308,719	6,935,353	9.9	TOTAL OPERATING & CAPITAL OUTLAY EXPENDITURES	6,459,312	22,701,493	1,082,632	3,219,417	1,141,423	34,604,277	31,680,881

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THE UNIFORM BUDGET - FISCAL YEAR 1986-87

Unit No. 000

Revenues by Source

	(1) LOCAL CURRENT FUND	(2) STATE PUBLIC SCHOOL FUND	(3) FEDERAL GRANT FUND	(4) CHILD NUTRITION FUND	(5) CAPITAL OUTLAY FUND	(6) TOTAL BUDGET
3000 Revenues from State & Federal Sources						
State Revenues						
3100 Allocations from State Public School Fund		22,701,493				22,701,493
3200 Other State Allocations for Current Operations						
3211 Textbooks	60,780					60,780
3212 Textbook - Clerical Assistance Aid	4,000					4,000
3250 Vocational Education	111,129					111,129
3310 Nutrition Education Training Program						
3390 Other State Allocations	68,820					68,820
3400 State Allocations Restricted to Capital Outlays						
3420 1973 Bond Issues						
3490 Other State Allocations Restricted to Cap. Out.						
Total State Revenues	244,729	22,701,493				22,946,222
Federal Revenues						
3500 Revenues from Federal Sources - Unrestricted						
3510 Impact Area Grants (P. L. 874)						
3590 Other Unrestricted Federal Grants						
3600 Revenues from Federal Sources - Restricted						
3610-05 ECIA Chapter 1, Summer Migrant						
3610-31 JTPA Centralina Council of Governments						
3610-33 Transistion Program for Refugee Children						
3610-42 ECIA Chapter 2, Competitive Grants						
3610-43 JTPA - Extended Day 85-86						

THE UNIFORM BUDGET - FISCAL YEAR 1986-87

Unit No. 000

Revenues by Source

	(1) LOCAL CURRENT FUND	(2) STATE PUBLIC SCHOOL FUND	(3) FEDERAL GRANT FUND	(4) CHILD NUTRITION FUND	(5) CAPITAL OUTLAY FUND	(6) TOTAL BUDGET
3610-44 RSDA - Job Placement 85-86			86,723			86,723
3610-45 JTPA - Job Place./Drop. Prevention - 85-86						
3610-46 RSDA - Extended Day - 85-86						
3610-47 JTPA - Central Piedmont						
3610-48 JTPA - "Project Help"						
3610-50 ECIA, Chapter 1 - Low Income			406,834			406,834
3610-51 ECIA, Chapter 1 - Migrant Regular						
3610-52 ECIA, Chapter 1 - Handicapped (LEA)						
3610-53 JTPA - Extended Day - 86-87						
3610-54 RSDA - Job Placement - 86-87						
3610-55 JTPA - Job Place./Drop. Prevention - 86-87						
3610-56 RSDA - Extended Day - 86-87						
3610-57 JTPA - Summer Program						
3610-58 JTPA - Special Projects						
3610-59 ECIA, Chapter 2 - Formula Grant						
3610-60 EHA - VI B - Handicapped			113,075			113,075
3610-61 EHA - VI C - Deaf and Blind			476,000			476,000
3610-62 EHA - VI B - Incentive						
3610-63 EHA - VI B - Interactive						
3610-64 Transition Program for Handicapped Children						
3700 Revenues from Federal Sources - Oth. Restrc. Grants						
3710 Head Start Grants						
3720 Emergency School Assistance Act						
3730 Appalachian Regional Commission						
3740 Coastal Plains Regional Commission						
3750 Highway Safety Act of 1966						
3760 Work Study						
3770 National Institute of Education Demonstra. Proj.						
3790 Other Restricted Federal Grants						

THE UNIFORM BUDGET - FISCAL YEAR 1986-87

Revenues by Source

Unit No. 000

	(1) LOCAL CURRENT FUND	(2) STATE PUBLIC SCHOOL FUND	(3) FEDERAL GRANT FUND	(4) CHILD NUTRITION FUND	(5) CAPITAL OUTLAY FUND	(6) TOTAL BUDGET
3200 Other Revenues from Federal Sources - Restricted Grts.						
3810 USDA Grants				756,250		756,250
3811 Regular						
3812 Cash in Lieu of Commodities						
3813 Non-Food Assistance						
3814 Summer Feeding Program						
3815 Commodities Used				325,000		325,000
3840 Indian Education Act						
3850 Titles IV and VI of Civil Rights Act						
3860 ROTC						
Total Federal Sources			1,082,632	1,081,250		2,163,882
4000 Revenues from Local and Other Sources						
4100 Local Sources - General						
4110 County Appropriations	5,793,930				1,141,423	6,935,353
4120 Supplemental Taxes - Current Year						
4130 Supplemental Taxes - Prior Year						
4140 Other Tax Revenues						
4141 Intangible Tax						
4142 Local Government Sales Tax						
4200 Local Sources - Tuition and Fees						
4210 Tuition and Fees - Regular						
4220 Tuition and Fees - Adult Basic Education						
4230 Tuition and Fees - Summer School						
4300 Local Source - Revenues						
4310 Sales Revenues - Child Nutrition				49,000		49,000
4311 Sales - Breakfast - Full Pay				6,500		6,500
4312 Sales - Breakfast - Reduced				500		500
4313 Sales - Breakfast - Adults				1,543,000		1,543,000
4314 Sales - Lunch - Full Pay				45,000		45,000
4315 Sales - Lunch - Reduced				95,667		95,667
4316 Sales - Lunch - Adults						

Unit No. 000

THE UNIFORM BUDGET - FISCAL YEAR 1986-87

Revenues by Source

	(1) LOCAL CURRENT FUND	(2) STATE PUBLIC SCHOOL FUND	(3) FEDERAL GRANT FUND	(4) CHILD NUTRITION FUND	(5) CAPITAL OUTLAY FUND	(6) TOTAL BUDGET
4317 Sales - Special Milk Program				325,000		325,000
4318 Sales - Supplemental Sales						
4319 Sales - Other						
4320 Catered Meals						
4321 Catered Breakfasts						
4322 Catered Lunches				3,500		3,500
4323 Suppers and Banquets						
4400 Local Sources - Unrestricted						
4410 Fines and Forfeitures	189,281					189,281
4420 Rental of School Property						
4430 Contributions and Donations						
4440 ABC Revenues						
4450 Interest Earned on Investments				70,000		70,000
4460 Reimbursements from Special Funds of Indv. Schs.						
4470 Income from Endowment and Other Trust Funds						
4490 Miscellaneous Local Operating Revenues						
4800 Local Sources - Restricted						
4810 Bond and Note Proceeds						
4820 Disposition of School Fixed Assets						
4830 Federal Revenue Sharing						
4840 Insurance Settlement of School Property						
4880 Indirect Cost Allocated						
4890 Other Restricted Local Sources						
Total Local Revenues	5,983,211			2,138,167	1,141,423	9,262,801
TOTAL REVENUES	6,227,940	22,701,493	1,082,632	3,219,417	1,141,423	34,372,905
4910 Fund Balance Appropriated	231,372					231,372
TOTAL	6,459,312	22,701,493	1,082,632	3,219,417	1,141,423	34,604,277

THE UNIFORM BUDGET - FISCAL YEAR 1986-87

Unit No. 000

Capital Outlay - Category I Projects

CATEGORY I PROJECTS: Acquisition of real property and acquisition, construction, enlargement, renovation, or replacement of buildings and other structures for school purposes.

Project No.	DESCRIPTION	(1) COUNTY FUNDS REQUESTED	(2) 1973 BOND FUND	(3) OTHER SOURCES (Identify)	(4)	(5)	(6) TOTAL PROJECT COST
9101	Asbestos Removal	80,000					80,000
9102	Lunchroom - Sch A	30,000					30,000
9103	Gymnasium - Sch. B	40,000					40,000
9104	Roofing	275,000					275,000
9105	Energy Conservation	75,000					75,000
9106	Science Lab - Sch. C	25,000					25,000
9107	Auditorium - Sch. D	30,000					30,000
9108	Electrical Repair	160,000					160,000
9109	Library - Sch. E	30,100					30,100
	TOTALS	745,100					745,100

THE UNIFORM BUDGET -FISCAL YEAR 1986-87

Unit No. 000

Capital Outlay - Category II Projects

CATEGORY II PROJECTS: Acquisition or replacement of furnishings and equipment.

Project No.	DESCRIPTION	(1) COUNTY FUNDS REQUESTED	(2) OTHER SOURCES (identify)	(3)	(4)	(5) TOTAL PROJECT COST
9201	Central Office	50,000				50,000
9202	Bus Garage	51,560				51,560
9203	Two-way Radio	1,640				1,640
9204	Computer Equipment	183,023				183,023
9205	Fire System	24,000				24,000
TOTALS		310,223				310,223

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THE UNIFORM BUDGET - FISCAL YEAR 1986-87

Unit No. 000

Capital Outlay - Category III Projects

CATEGORY III PROJECTS: Acquisition of school buses, activity buses, and other motor vehicles.

Project No.	DESCRIPTION	(1) COUNTY FUNDS REQUESTED	(2) OTHER SOURCES (identify)	(3)	(4)	(5) TOTAL PROJECT COST
9301	2 Activity Buses	58,300				58,300
9302	Truck (Panel)	10,600				10,600
9303	Truck (Pick-up)	17,200				17,200
TOTALS		86,100				86,100